

COASTAL CONSERVANCY

Staff Recommendation
September 24, 2009

SOUTHERN SONOMA COUNTY HABITAT RESTORATION: PHASE III

File No. 99-116-02
Project Manager: Maxene Spellman

RECOMMENDED ACTION: Authorization to modify the prior Conservancy authorization to the Southern Sonoma County Resource Conservation District by redirecting funds from studies related to the restoration of the lower Sonoma Creek to implementation of restoration at Ellis Creek.

LOCATION: East of the City of Petaluma within the Sonoma Creek and Petaluma River Watersheds in unincorporated Sonoma County (Exhibit 1: Project Location Maps)

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: [Project Location Maps \(2\)](#)

Exhibit 2: [Site Map with Proposed Restoration](#)

Exhibit 3: [Coastal Conservancy Staff Recommendation for Sonoma Creek Enhancement: Phase II \(File No. 99-116, September 8, 2005\)](#)

Exhibit 4: [Photos](#)

Exhibit 5: [Amended Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31165 of the Public Resources Code:

"The State Coastal Conservancy hereby modifies its authorization of September 8, 2005 to redirect funds in the amount of two hundred twenty-two thousand eight hundred five dollars (\$222,805) for use by the Southern Sonoma County Resource Conservation District ("RCD") to restore approximately 2,450 linear feet of Ellis Creek in the Petaluma River Watershed. Prior to disbursement of Conservancy funds, the RCD shall submit for review and written approval of the Executive Officer of the Conservancy a detailed revision of the work program, schedule, and budget; sign plan acknowledging the Conservancy; the names and qualifications of any contractors to be employed in carrying out this portion of the project; and proof that all funds necessary to complete this portion of the project are secured."

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The project remains within the nine-county San Francisco Bay Area.
2. The proposed amendment to the project is consistent with the Project Selection Criteria and Guidelines updated by the Conservancy on June 4, 2009.
3. The proposed amendment to the project is consistent with the purposes and objectives of the San Francisco Bay Area Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code Sections 31160-31165.”

PROJECT SUMMARY AND HISTORY:

Staff recommends the redirection of funds previously authorized for the restoration of a portion of lower Sonoma Creek to restoration of Ellis Creek to implement Phase III of the overall Sonoma Creek Enhancement project. The redirection of funds would reduce the total amount originally authorized for disbursement by \$171,195 (See “Project Financing” below), and would create many of the same benefits originally proposed for eventual implementation at lower Sonoma Creek. It will create approximately 2,450 feet of riparian habitat, reduce sedimentation in nearby Petaluma River and preserve open space and agriculture in southern Sonoma County. The proposed redirected funds would be used on this ready-to-go project to restore and stabilize an abandoned spillway ravine above Ellis Creek, install a Western Pond Turtle basking platform, and construct approximately one mile of riparian setback fencing to protect the pond and sensitive segments of the creek from cattle. (See Exhibit 2: Site Map with Proposed Restoration, and Exhibit 4: Photos).

The Conservancy previously authorized the disbursement of up to \$757,000 to the Southern Sonoma County Resource Conservation District (“the RCD”) for Phase II of the Sonoma Creek Enhancement project to refine hydrologic modeling, analyze sediment transport, prepare NEPA/CEQA documents, develop conceptual designs for the selected restoration alternative and provide public outreach related to restoration of lower Sonoma Creek in southern Sonoma County (Exhibit 3, September 8, 2005 staff recommendation). The goal of the project is to identify a project or set of projects that could both enhance habitat while alleviating flooding on lower Sonoma Creek, which drains into San Pablo Bay, and return the area to riparian and tidal wetland habitat. Phase II produced valuable information for management of lands in this area which are plagued by high sediment loads and regular flooding, and the project has strengthened partnerships among the RCD, landowners, California Department of Fish and Game, and Ducks Unlimited. Unfortunately, initial screening of alternatives and results of the preliminary hydraulic and hydrologic analyses by the RCD's consultant revealed that the alternative of setting aside land for wetland restoration alone would have only a very minor flood-reduction benefit. Such low flood control benefits also do not justify setting up a flood control district to generate needed revenue to support implementation and maintenance of the improvements that would likely have gone forward if found to be worthwhile. Returning the existing farmed lands to seasonal wetlands for temporary peak flood storage is still a viable alternative for enhancing habitat while conveying minimal flood storage. Therefore, the RCD will not expend

Conservancy funds to conduct environmental documentation (i.e. CEQA/NEPA documents), but will continue to work with its consultant to complete the final analyses and conduct public outreach, receive comments on its findings, and provide final documentation that in the future may lead to land acquisition of seasonal wetlands.

After reviewing the analysis developed by the RCD, staff agrees with the RCD's preliminary findings that further work in the area would not yield the projected benefits. Rather than conducting environmental documentation as part of Phase II, the proposed ready-to-go restoration improvements at the nearby Ellis Creek would achieve the same objectives of the original project. These objectives include preserving agriculture as open space for habitat restoration, promoting sound land stewardship and working landscapes, and improving water quality impacting San Pablo Bay.

In addition to these environmental benefits, the proposed redirection of funds will enable the grantee to utilize \$93,767 from the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) toward the project. The federal NRCS grant requires a match to cover the total costs of the restoration project. The RCD has exhausted all possible time extensions on its NRCS grant so that these funds will be lost if the Conservancy's matching funding cannot be used to move the project forward before October 31, 2009. The RCD has therefore requested that a portion of the funds approved by the Conservancy in September, 2005 be redirected to costs associated with restoration activities at nearby Ellis Creek where restoration work is designed and ready to move forward. The following is a more detailed project description and history for the proposed redirection of funds to match NRCS funding:

At the Ellis Creek site, the ravine, formerly used as an emergency spillway for the adjacent livestock pond, was filled with tires during the 1970's. At that time this was an accepted practice to prevent soil erosion of the landslide-prone hillside. The California Integrated Waste Management Board (CIWMB) now considers the placement of tires for erosion control to pose a fire hazard and provide breeding habitat for mosquitoes. The landowners and the CIWMB have been working together to design an environmentally acceptable method for removal of the tires while assuring stabilization of the hillside. The CIWMB will remove and dispose of the tires, and the landowner has agreed to perform and fund restoration work.

The RCD's geotechnical consultant confirmed that unless the hillside is stabilized and re-vegetated after the tires are removed, it's expected that it will become unstable, causing landslide movement and sediment discharge into Ellis Creek. The proposed restoration and stabilization of the hillside will improve water quality and reduce sediment discharge to the recently completed, Conservancy-assisted, polishing wetlands constructed downstream where Ellis Creek drains into the Petaluma River. After tire removal and stabilization during the fall, 2009, the RCD will install and maintain 400 willow sprigs and a mix of 180 native riparian plants along 2,450 linear feet of reach. The RCD will also install a Western Pond Turtle basking platform for the turtles known to reside in the pond, and approximately one mile of riparian setback fencing to keep the cattle from impacting the pond, the restored area and other sensitive segments of the creek. (See Exhibit 2: Site Map with Proposed Restoration, and Exhibit 4: Photos.) The RCD will hire geotechnical engineers to provide advice on bank stabilization during implementation and engage local students in the implementation of re-vegetation of the riparian corridor and pond. All work is expected to be completed by end of fall, 2011.

Permits for the project are in place and separate funding, including both the NRCS funds and a significant landowner cash contribution will cover more than half of the total cost of the project. (See Phase III Financing below). The landowners are long-time, conservation-minded land stewards and agricultural producers who wish to keep the land in agriculture. In an effort to ensure that the restored sensitive resources will be protected in perpetuity, the landowner has submitted an application to the Sonoma County Agricultural Preservation and Open Space District for a Conservation Easement to be placed over sensitive resources. The RCD, the Conservancy and the owner of the property will also enter into an agreement to protect the public investment in the improvements to stabilize the hillside, protect the stream corridor from cattle, and enhance the Western Pond Turtle habitat.

For over fifty years, the RCD promoted soil conservation, agricultural viability, land stewardship, habitat restoration and open space protection. As demonstrated in Phase II of the Sonoma Creek Enhancement, the RCD collaborates with landowners, agencies, organizations and cooperatives in the region and with the NRCS, a major contributor towards implementation of the Ellis Creek restoration. Finally, over the past decade, the RCD worked with the CIWMB to develop site engineering techniques and policies for addressing the removal of embedded erosion control tires that will limit site damage, control landowner costs, facilitate restoration, and minimize future erosion. These new techniques for tire removal will be applied for the first time at Ellis Creek.

Site Description: The project site is located within the southeastern portion of the Petaluma watershed, just over the hill from the southern Sonoma Creek site, where a diverse mosaic of agricultural grazing lands, tidal marsh and sloughs exist. This area also falls within the Sonoma/Marin “Dairy Belt” possessing several medium sized family farms providing high value to the local and regional economy. The subject property, through which Ellis Creek runs, is one of these medium sized family farms. The 127-acre property is also located on the County designated “scenic corridor” because of its open space and scenic attributes. The site consists of gently rolling grassy slopes with a reach of Ellis Creek along its northern boundary. The site is known to contain critical habitat for two special status species, the red legged frog and the Western Pond Turtle, the latter of which resides in the farm’s watering pond. The proposed construction of a basking platform in the pond is expected to improve the habitat for the turtle. (See Exhibit 4: Photos.)

The subject property contains highly erodible soils that characterize land in the Petaluma watershed. Ellis Creek is a tributary to the Petaluma River which is listed by the U.S. Environmental Protection Agency as impaired due to high sedimentation. This project will avert sedimentation discharge into the Petaluma River, improve water quality draining into San Pablo Bay, and provide for the possibility for continued agricultural production.

The site is zoned as Land Extensive Agriculture (low intensity agriculture), with a Scenic Resource and a Valley Oak Habitat overlay. The owner uses the property for low density cattle grazing, striving to manage the agricultural use in an environmentally responsible manner. The owner inhabits the only single family dwelling unit on the parcel, which is approximately 1,200 sq. ft.

PROJECT FINANCING:

The previously authorized Coastal Conservancy contribution to the project was \$757,000 which has been reduced to \$585,805 because of the impracticality of proceeding further with Phase II of the project on Sonoma Creek. Of the remaining funds, \$222,805 will be used for the proposed redirection of funds to Ellis Creek Phase III. Even with the use of redirected funds, the total project costs are \$171,195 less than the cost of environmental documentation for Phase II.

The following is a breakdown of the Ellis Creek Restoration (Phase III) costs:

FINANCING FOR ELLIS CREEK RESTORATION (PHASE III)

Coastal Conservancy	\$222,805
Landowner contribution	\$159,105
National Resource Conservation District	\$93,767
Southern Sonoma RCD	\$4,100
Total Ellis Creek Restoration (Phase III) Costs	\$479,777

The Conservancy's contribution to the project has come from its FY 04/05 appropriation from the "California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002" (Proposition 40) for the San Francisco Bay Area Conservancy Program. This funding may be used for rehabilitation, protection and restoration of land and water resources in accordance with the provisions of the Conservancy's enabling legislation. (Section 5096.650(b)). Proposition 40 also requires the Conservancy to give priority to grant projects with matching funds (Public Resources Code Section 5096.651). The project is supported by a commitment by the U.S. Department of Agriculture's Natural Resources Conservation Service and the landowner to provide substantial matching funds for completion of the Ellis Creek portion of the project.

The redirected funds will serve to restore water resources of the Ellis Creek and the Petaluma River, consistent with the Conservancy's enabling statute, as discussed immediately below. Further the project implements the larger purposes of the Sonoma Creek project by restoring riparian habitat and improving water quality of tributaries to the Petaluma River. Under Department of Finance Budget Letters 09-15 and 08-33 the Conservancy is directed "to make no new awards, allocations, assignments, or any other obligations of general obligation bond funds for new projects" until further notice from the Department of Finance. However, the current authorization would utilize funds approved prior to December 19, 2008 to complete the project objectives to reduce sedimentation, enhance the nearby creek's riparian habitat, preserve agriculture and working landscapes in southern Sonoma County, and improve the water quality draining into San Pablo Bay.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed amendment to the project would advance the purposes of the San Francisco Bay Area Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code (Sections 31160-31164). The project is consistent with §31162(b), which authorizes the Conservancy to undertake projects and award grants in the nine-county Bay Area to public and private agencies and organizations to help achieve the following goals: “protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional importance.” The restoration of a landslide-prone section of the southeastern portion of the Petaluma watershed, and installation of protective riparian fencing, which are funded by the proposed project, will further these goals by reducing sediment discharge into the watershed. The project will also help protect natural resources on property along the designated Sonoma County scenic corridor where this project is located. Finally, the proposed amendment to the project will protect and enhance Western Pond Turtle habitat, a federally listed species of special concern and therefore of significance to the Bay Area region.

The proposed amendment to the project is also consistent with §31163(a), which directs the Conservancy to “cooperate with. . . districts, . . . and other interested parties in identifying and adopting long-term resource. . . goals for the San Francisco Bay area” to be used in implementing the Bay Program. This project responds to a collaborative process involving over 23 organizations in Sonoma County that identified the Petaluma Watershed Southeastern Portion as a Priority Conservation Area (PCA) within the FOCUS plan adopted by the Association of Bay Area Governments (ABAG) on July 17, 2008.

The proposed amendment to the project is consistent with Section 31163(b), which directs the Conservancy to “participate in and support . . . public/private partnerships in the San Francisco Bay area for the purpose of implementing subdivision (a).” This project supports the partnership among the private agricultural owner of the property, the RCD, the NRCS, the CIWMB, and local volunteers to implement restoration of this area identified as a PCA.

Finally, this proposed amendment to the project is appropriate for San Francisco Bay Conservancy Program priority under the criteria of §31163(c), because it is created by a regional constituency, can be implemented in a timely way, provides opportunities for resource restoration that could be lost if the project is not quickly implemented, and includes matching funds from other sources of funding. The project is supported by the ABAG-adopted FOCUS PCA plan. With the landowner support, permits have been obtained and preliminary engineering plans are completed so that the RCD is poised to begin work. If restoration is not implemented quickly following tire removal, the hillside is in danger of sliding into the creek. The Conservancy funds will be matched by a greater than 1 to 1 ratio through a combination of contributions from the landowner, the RCD, and the NRCS.

**CONSISTENCY WITH CONSERVANCY'S 2007
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 10, Objective H** of the Conservancy's 2007 Strategic Plan, the proposed amendment to the project will restore a 2,450 foot stretch of Ellis Creek within the Petaluma River watershed.

CONSISTENCY WITH CONSERVANCY'S

PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed amendment to the project is consistent with the Conservancy's Project Selection Criteria and Guidelines, revised on June 4, 2009, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The proposed amendment to the project enjoys broad support as demonstrated by the support letters from State Senator Mark Leno, State Assemblyperson Jared Huffman, Sonoma County Supervisor Mike Kearns, the federal Natural Resources Conservation Service, San Francisco Bay Regional Water Quality Control Board, and Sonoma County Department of Health Services, Environmental Health Division. (See Exhibit 5: Project Letters.)
4. **Location:** The Phase III project site is located within the nine County Bay Area counties, east of the City of Petaluma in Sonoma County's "Dairy Belt" and designated scenic corridor. The project will avert sediment discharge and water pollution of Ellis Creek and the Petaluma River into which it drains. Hence, the project will also help protect the Conservancy's investment of over \$2,000,000 in the acquisition and enhancement of Ellis Creek and the wetlands associated with Petaluma River located downstream at the Petaluma water recycling facility and polishing wetlands site. The proposed amendment to the project will also prevent the demise of agricultural production on this medium size farm, and help maintain the scenic quality of this segment of the scenic corridor.
5. **Need:** Without the Conservancy's participation in this phase of the project, funding from the NRCS would be lost, and the RCD and landowner would be unable to implement slope stabilization and restoration. Likely consequences also include impacts to the stream if cattle were to continue to range into sensitive wetland areas on the property, further adversely impacting the Petaluma River watershed and San Pablo Bay.
6. **Greater-than-local interest:** This project falls within the regionally significant Sonoma/Marin "Dairy Belt", and possesses significant agricultural, open space, and scenic values. Sediment discharge and water pollution occurring within this portion of the Petaluma River watershed directly impacts the Petaluma River listed as impaired by U.S. EPA. Finally, the federally listed Western Pond Turtle is known to reside on this site. Also, the site provides suitable habitat for the endangered red-legged frog.
7. **Sea level rise vulnerability:** The project is located too far upland to be affected by sea level rise.

Additional Criteria

8. **Resolution of more than one issue:** See number 10, “Conflict resolution” below.
9. **Leverage:** See the “Project Financing” section above.
10. **Conflict resolution:** The landowner is already contributing as much as possible without otherwise being forced to go out of agricultural production. No other organization or agency is willing to fill the funding gap needed to restore and stabilize the slope once the tires are removed, yet restoration is required. The Conservancy’s assistance averts the loss of federal funds and agricultural production, and avoids adverse impacts to the watershed and Bay as well as to the Conservancy-supported project downstream.
11. **Innovation:** Implementation of this project is the first time that the California Integrated Waste Management Board, in collaboration with the RCD, will employ innovative site engineering techniques designed to limit site damage and facilitate restoration for addressing the removal of embedded erosion control tires.
12. **Readiness:** Permits are in place and the RCD is poised to implement the proposed amendment to the project in a timely manner.
13. **Realization of prior Conservancy goals:** See “Project Summary and History” above.
14. **Return to Conservancy:** See the “Project Financing” section above.
15. **Cooperation:** The landowner, the RCD and the NRCS will contribute over half the cost of the project, and volunteers to the RCD will assist in implementation of the proposed restoration work.
16. **Minimization of greenhouse gas emissions:** The project includes the planting of 400 willows and 180 riparian plants to create a net addition of carbon sequestration. For these plantings, the RCD will use hand tools only, avoiding use of carbon emitting machinery.

COMPLIANCE WITH CEQA:

The Southern Sonoma County Resource Conservation District found that the proposed project is categorically exempt from the California Environmental Quality Act (CEQA) under 14 California Code of Regulations Sections 15330, minor actions to prevent, minimize, stabilize, mitigate or eliminate the release of hazardous waste or hazardous substances. The RCD filed a Notice of Exemption (NOE) on July 23, 2008. Conservancy staff concurs with this finding only as it relates to the project involving the removal of tires that the CIWMB has determined may pose a fire hazard and for mosquito abatement, which the Conservancy is not funding.

Conservancy staff finds that the restoration project is categorically exempt from CEQA under 14 California Code of Regulations Section 15333 relating to small habitat restoration projects. The project will re-vegetate the stream bank to improve habitat for amphibians and fish by planting native riparian plants; stabilize the ravine above Ellis Creek; install a Western Pond Turtle basking platform; and install new fencing to protect riparian areas from cattle. The RCD’s consultants conducted an initial study checklist and determined that the construction of the

basking platform will not have an adverse affect on the federally threatened Western Pond Turtle or its habitat. Staff therefore finds that the project will not have a significant adverse impact on endangered, rare or threatened species or their habitat either directly or cumulatively and the hazardous materials (i.e. the tires) at the project site will be removed prior to undertaking the project. Because the restoration will be conducted by student volunteers using hand tools, the project will not have a significant cumulative contribution to greenhouse gas emissions. Thus, application of the categorical exemption is appropriate. Staff will file a Notice of Exemption upon Conservancy approval of the project.